

Stock code: 7244

March 7, 2019

To Our Shareholders
Itado 80, Isehara-shi, Kanagawa-ken
ICHIKOH INDUSTRIES, LTD.
Representative Director & Chairman
Ali Ordoobadi

Notice of the 89th Ordinary General Meeting of Shareholders

We appreciate your continuing support of our company.

You are cordially invited to the 89th Ordinary General Meeting of Shareholders of ICHIKOH INDUSTRIES, LTD., which will be held as described below. Your participation will be greatly appreciated.

If you are unable to attend the meeting in person, you can exercise your voting rights in writing. Please review the “Reference Documents for the Ordinary General Meeting of Shareholders”, indicate for or against on each agenda item in the enclosed Voting Rights Exercise Form, and send it in a timely manner to us so that we will be able to receive it by 5:30 p.m., Monday, March 25, 2019.

Date and Time: Tuesday, Mar 26, 2019 10:00 AM

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Place: 348 Tanaka, Isehara-shi, Kanagawa-ken
Isehara Civic Culture Center, Small Hall on the 1st Floor

Agenda:

Matters to be Reported:

1. Business Report, the Consolidated Financial Statements and the Audit Results of the Consolidated Financial Statements for the 89th Fiscal Year (from January 1, 2018 to December 31, 2018) by the Accounting Auditor and the Board of Auditors.
2. Report of the Non-consolidated Financial Statements for the 89th Fiscal Year (from January 1, 2018 to December 31, 2018).

Matters to be Resolved:

Proposal No. 1: Disposition of Surpluses

Proposal No. 2: Election of Ten (10) Directors

Proposal No. 3: Election of One (1) Substitute Corporate Auditor

You are kindly requested to present the enclosed Voting Rights Exercise Form to the

person at the reception when you attend the meeting in person.

Among the documents provided with this Notice of the Ordinary General Meeting of Shareholders, the Notes of the Consolidated Financial Statements, the Notes of the Non-consolidated Financial Statements and the Systems to Ensure the Appropriateness of Business Execution are disclosed on our website (<http://www.ichikoh.com/ir/stockholder/stock09.html>) in accordance with the relevant laws and regulations and Article 15 of the Article of Incorporation of the Company, and thus are not included in the Attached Documents. Accordingly, the Attached Documents enclosed with this Notice represent a part of the Business Report, Consolidated Financial Statements and the Non-consolidated Financial Statement audited by Corporate Auditors in preparation of Audit Report of the Board of Auditors and a part of the Consolidated Financial Statements and the Non-consolidated Financial Statement audited by Accounting Auditor in preparation of Accounting Audit Report.

If any changes are made in any of the Reference Documents for the Ordinary General Meeting of Shareholders, the Business Report, the Consolidated Financial Statement, and the Non-Consolidated Financial Statement, such changes will be posted on our website (<http://www.ichikoh.com/>).

(Attached Documents)

Business Report

(January 1, 2018 through December 31, 2018)

The Company has changed its fiscal year-end from March 31 to December 31 in the previous fiscal year. For this reason, the previous fiscal year is transitional period of nine months from April 1, 2017 to December 31, 2017.

Accordingly, the consolidated financial result of the current business year is compared to the same period of last year, from January 1, 2017 to December 31, 2017. The financial figures of the same period of last fiscal year are reference figures which are not audited.

1. Present Status of the Corporate Group

(1) Status of Business for the Current Consolidated Business Year

① Progress and Result of Business

The Japanese economy for this consolidated business year gradually recovered by the large number of house construction in the low interest rate environment etc., but there were negative effects due to the natural disasters such as typhoons, and in overseas, concerns about risks such as slowdown of Chinese economy affected by the USA-China trade war. As for global economy, while the employment index in USA remained steady, economic slowdown had become apparent as shown by the decrease of car sales in China after an interval of 28 years. The economy of developing countries such as ASEAN remained relatively strong.

Looking at the car industry to which our Group belongs, notwithstanding the problems of final inspections misconduct, the volume of domestic car production slightly increased compared to the same period of last year thanks to the strong sales of Kei-cars. In ASEAN market, production volume of the three countries in ASEAN regions increased in total compared to the same period of last year due to the growth of production volume in the main three ASEAN countries, Thailand where export led economic recovery and swelling demand for repurchase, Malaysia where Mahathir administration in substance abolished the consumption tax in June and special demand emerged, and Indonesia where compact car sales were strong. In China, car production volume decreased compared to the same period of last year due to slowdown of domestic car sales. Under those circumstances, domestic sales in the current consolidated business year had increased, thanks to the launch of new product and strong sales of value-added products, mostly LED lamp. Also thanks to the steady performance of overseas affiliates in ASEAN mainly due to the increase of sales and improvement of profitability by the Indonesian affiliate, both sales and profit increased compared to the same period of last year.

As a result, the revenue was 140,600 million yen (same period of last year 125,121 million yen, 12.4% increase compared to the same period of last year), operating income was 9,003 million yen (same period of last year 6,059 million yen, 48.6%

increase compared to the same period of last year), ordinary income was 9,694 million yen (same period of last year 6,832 million yen, 41.9% increase compared to the same period of last year), and net income attributable to parent company shareholders substantially increased to 9,756 million yen (same period of last year 6,172 million yen, 58.1% increase compared to the same period of last year) due to the additional deferred tax asset.

Moving to the results by each segment for Automotive-Parts business, the revenue was 131,603 million yen (same period of last year 116,084 million yen, 13.4% increase compared to the same period of last year) and operating income was 8,750 million yen (same period of last year 6,322 million yen, 38.4% increase compared to the same period of last year), thanks to the launch of new products and strong sales of value-added products such as LED lamp that improved domestic sales, and also thanks to the increase of sales and improvement of profitability of overseas affiliates in ASEAN.

For After-Market business, the revenue was 8,678 million yen (same period of last year 8,553 million yen, 1.5% increase compared to the same period of last year), operating income was 263 million yen (same period of last year operating loss of 155 million yen). For other business, the revenue was 1,983 million yen (same period of last year 2,072 million yen, 4.3% decrease compared to the same period of last year) and operating income was 3 million yen (same period of last year 62 million yen, 93.8% decrease compared to the same period of last year).

Regarding the dividends, the Company considers the achievement of the both ① improvement of corporate value by using internal reserves to conduct research and development and facility investments, and ② improvement of profit return to shareholders as the most important issues of the Company.

Regarding dividends for the fiscal year ending December 2018, the interim dividends was 2.50 yen per share, however, in addition to the good performance results, the Company comprehensively considered matters such as net profit of the current period attributable to the parent company shareholder exceeding the forecast as a result of recording of additional deferred tax asset taking into account stable performance trend expected in the future, and would like to make the year-end dividend 4.5 yen, 2 yen increase from 2.5 yen per share, which makes the annual dividends 7 yen.

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(Note) The Business Report is described under the following rules.

1. The figures shown in the unit of millions of yen are rounded down to the nearest million.
2. The shares shown in the unit of thousands are rounded down to the nearest thousand.

| Category                  | Sales in million yen | Operating Income in million yen |
|---------------------------|----------------------|---------------------------------|
| Automotive Parts Business | 131,603              | 8,750                           |
| After-market Business     | 8,678                | 263                             |
| Other Businesses          | 1,983                | 3                               |

② Status of Capital Investment

The total amount of capital investment in this fiscal year was 8,681 million yen, and the major investments are new products of lamps and rear-view mirrors, model changes and facility investment for improvement of productivity.

③ Status of Funding

In this fiscal year, in order to improve capital efficiency including that of group companies of the parent company, the company is borrowing funds as working capital from Valeo. The debt balance from Valeo has reduced by 3,386 million yen from the previous year-end.

④ Status of Assignment of Business, Absorption-type Split and Incorporation-type Split

Not applicable.

⑤ Status of Taking over of Business of other Companies

Not applicable.

⑥ Status of the assignment of rights and obligations of other corporation, etc., by means of Absorption-type Merger or Absorption-type Split

Not applicable.

⑦ Status of Acquisition or Disposition of Other Companies' Stock and other Equity or Share Subscription right

Not applicable.

## (2) Status of Properties and Financial Results

| Classification                                                       | FY2015<br>86 <sup>th</sup> Term | FY2016<br>87 <sup>th</sup> Term | FY2017<br>88 <sup>th</sup> Term | FY2018<br>89 <sup>th</sup> Term<br>(current) |
|----------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------------------|
| Net Sales (M yen)                                                    | 102,143                         | 113,195                         | 94,070                          | 140,600                                      |
| Ordinary Income (M yen)                                              | 3,007                           | 5,233                           | 4,660                           | 9,694                                        |
| Net profit attributable to<br>parent company<br>shareholders (M yen) | 2,505                           | 5,916                           | 3,792                           | 9,756                                        |
| Net Income per Share<br>(yen)                                        | 26.13                           | 61.63                           | 39.47                           | 101.54                                       |
| Total Assets (M yen)                                                 | 92,232                          | 96,850                          | 103,177                         | 102,416                                      |
| Net Assets (M yen)                                                   | 23,578                          | 28,930                          | 33,266                          | 39,997                                       |
| Net Assets per Share<br>(yen)                                        | 230.65                          | 288.08                          | 332.18                          | 403.79                                       |

Note: Financial figures in the 88<sup>th</sup> term is consisted of nine months from April 1 to December 31, 2017 due to changes of the fiscal year.

## (3) Status of Important Parent Companies and Subsidiaries

## ① Status of Parent Company

Valeo Bayen and its parent company Société de Participations Valeo, and also Valeo. S.A. the parent company of Société de Participations Valeo are the parent companies of the Company, and own 52,922 thousand shares of the Company (55.07% of shares)

The group of the Company has borrowed 3,700 million yen from the parent company.

Matters related to transactions between the company and other group companies are as follows:

- i. Matters to which attention was paid to avoid impairment of interest of the Company in transactions  
As for borrowings from the parent Company, it was confirmed that the interest rate is low compared to external borrowings.
- ii. Judgments by the Board of Directors whether or not the transaction(s) impairs the Company's interest and its reasons  
As described in (1) above
- iii. Opinion by Independent Outside Directors if it is different from the opinion of the Board of Directors  
Not applicable.

## ② Status of Important Subsidiaries

| Company Name                           | Capital Amount | Ichikoh's Share | Main Business                             |
|----------------------------------------|----------------|-----------------|-------------------------------------------|
| PIAA Corporation                       | 475 M yen      | 100.0 %         | Sales of automotive parts for aftermarket |
| PIAA Corp., USA                        | USD 0.6M       | 100.0 %         | Sales of automotive parts for aftermarket |
| Misato Industries, Ltd.                | 95 M yen       | 100.0 %         | Manufacture and sales of automotive parts |
| Kyushu Ichikoh Industries, Ltd.        | 50 M yen       | 100.0 %         | Manufacture and sales of automotive parts |
| Life Elex, Inc.                        | 45 M yen       | 59.1 %          | Manufacture and sales of automotive bulbs |
| Hakuden, Ltd.                          | 35 M yen       | 100.0 %         | Manufacture and sales of automotive parts |
| Ichikoh (Malaysia) SDN. BHD.           | MYR 0.9 M      | 70.0 %          | Manufacture and sales of automotive parts |
| PT. Ichikoh Indonesia                  | IDR 133,124 M  | 100 %           | Manufacture and sales of automotive parts |
| Ichikoh Industries (Thailand) Co. Ltd. | THB 2,360 M    | 99.9 %          | Manufacture and sales of automotive parts |
| Ichikoh (Wuxi) Automotive Parts        | USD 0.7 M      | 100.0 %         | Manufacture and sales of automotive parts |

## (4) Major Operations (as of December 31, 2018)

Major line of business of Ichikoh group is the manufacture and sales of automotive lamps and rearview mirrors as outlined below:

| Category                | Major products                                                                         |
|-------------------------|----------------------------------------------------------------------------------------|
| Lamps                   | Head Lamps (halogen, HID, LED)<br>Rear Combination Lamps(Bulb, LED)<br>Fog Lamps, etc. |
| Rearview Mirrors        | Door Mirrors, Inside Mirrors, Electronic Mirrors, etc.                                 |
| Other Automotive Parts  | Windshield Wiper Blades, etc.                                                          |
| Non-automotive Products | Lamps for railroad carriages, house apparatus, etc.                                    |

## (5) Major Sales Offices and Plants (as of December 31, 2018)

## ① Ichikoh Industries, Ltd.

| Name          | Location                 | Name                    | Location                 |
|---------------|--------------------------|-------------------------|--------------------------|
| Head Office   | Isehara-shi,<br>Kanagawa | Sapporo Sales<br>Office | Sapporo-shi,<br>Hokkaido |
| Isehara Plant | Isehara-shi,<br>Kanagawa | Ota Sales Office        | Ota-shi, Gunma           |
| Fujioka Plant | Fujioka-shi, Gunma       | Tokyo Sales Office      | Shinjuku-ku, Tokyo       |
| Mirror Plant  | Fujioka-shi, Gunma       | Osaka Sales Office      | Suita-shi, Osaka         |
| Chubu Branch  | Nagoya-shi, Aichi        |                         |                          |

## ② Subsidiaries

| Name                               | Location                                | Name                                            | Location                        |
|------------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------------|
| PIAA Corporation                   | Bunkyo-ku, Tokyo                        | Ichikoh (Malaysia)                              | Negri Sembilan,                 |
| PIAA, Corp., USA                   | Oregon, USA                             | SDN. BHD.                                       | Malaysia                        |
| Misato<br>Industries, Ltd.         | Kodama-gun, Saitama                     | PT. Ichikoh<br>Indonesia                        | West Java, Indonesia            |
| Kyushu Ichikoh<br>Industries, Ltd. | Nakatsu-shi, Oita                       | Ichikoh Industries<br>(Thailand) Co. Ltd.       | Amata-city, Thailand            |
| Life Elex, Inc.<br>Hakuden, Ltd.   | Ohra-gun, Gunma<br>Saitama-shi, Saitama | Ichikoh(Wuxi )<br>Automotive Parts<br>Co., Ltd. | Jiangsu Province,<br>P.R. China |

## (6) Information about Employees (as of December 31, 2018)

## ① Status of Employees of Ichikoh Group

| Number of Employees | Comparison to End of Last Fiscal Year |
|---------------------|---------------------------------------|
| 3,785 (1,918)       | Decreased by 213 (Increased by 380)   |

(Note) The number of employees includes only those with no fixed term contract, exclusive of the number of employees with fixed term contract, such as part-timers and temporary workers, which is shown in parentheses by the annual average number.



## ② Status of Employees of Ichikoh

| Number of Employees | Comparison to End of Last Fiscal Year | Average Age | Average Years of Service |
|---------------------|---------------------------------------|-------------|--------------------------|
| 1,889(1,020)        | Increased by 67 (increased by 55)     | 41.0        | 16.7                     |

(Note) The number of employees includes only those with no fixed term contract, exclusive of the number of employees with fixed term contract, such as part-timers and temporary workers, which is shown in parentheses by the annual average number.

## (7) Information about Major Loan Providers (as of December 31, 2018)

| Loan Provider          | Balance of Loaned Amount (million yen) |
|------------------------|----------------------------------------|
| Valeo                  | 3,700 Million yen                      |
| Mizuho Bank            | 2,034 Million yen                      |
| Bank of Mitsubishi UFJ | 1,599 Million yen                      |

## (8) Other Important Matters regarding Current Status of Ichikoh Group

## Establishment of a new plant in Japan

The Company will establish the “Atsugi Plant”, a new plant in Morinosato, Atsugi-shi, Kanagawa. The completion of construction is expected to be on May 2019, and start of operation on July of the same year. The aim of the new plant is, by utilizing the innovative production technology concept developed by Valeo, to improve the effectiveness of production, achieve the growth in line with medium-term target and to improve business continuity management, etc.

## (9) Challenges Facing Ichikoh

The Mission of our Company group is “Reflect and Shine: Create a driving environment that feels safe, offers more protection, and provides more comfort,” and the Vision is to “continuously endeavor to become a corporation that satisfies both customers and society by pioneering the frontiers of technology and supplying optimal solutions which being ecologically minded.”

Given the prospects of the mid to long-term volume of automobile production, which is the market of our Company group, the domestic market tend to be reaching the limit due to the declining birthrate and aging society, and the expectation of demand increase due to increased production volume comes from China and ASEAN. Under the circumstances, in Japan, we will utilize our high technology development capabilities and seek to grow by increasing added value such as use of LED as light source. Meanwhile, in overseas such as

ASEAN and China, the Company group's growth strategy is to capture the demand, including that comes from increased production volume, while taking advantage of the high level technical expertise cultivated in Japan.

Recently, the functions required for automotive parts such as those required from the progress of automatic driving technology are becoming more diversified, and it seems that big changes will happen at a faster speed than ever before. Among them, the bipolarization of components with high added value and low cost is expected to progress further, and thus we need to speed up the pace not only for research and development of products, but also for development of manufacturing technology for low cost production. On the other hand, issues such as the decline of global economy impacted by the USA-China trade war is increasing uncertainty in the business environment, therefore, expansion of financial foundation by Company's own efforts is also an important issue to be considered.

In order to carry out these growth strategies and deal with the issues, we will utilize collaboration with Valeo, our parent company, to jointly develop new products such as products responding to automatic driving, and to reduce cost from joint procurement and joint research, taking full advantage of scale merit, we will conduct activities to acquire additional market share in the global market through aggressive marketing activities, expanding our customer base and strengthening geographical complementary relationship, and will also obtain the benefits from interest rates by utilizing funds from Valeo.

In addition, by establishing and operating the internal control system to secure credibility of our financial statements and to structure the risk management system and to eliminate the conflict of interest, the company will improve compliance awareness of all people engaging in the business of our Company group to fulfill our social responsibility as a corporation. Furthermore, the Company revised the corporate governance guidelines and improved internal rules in accordance with the revision of Corporate Governance Code issued on June 2018. The Company will further enhance governance based on new rules from now on.

We would appreciate your continuing support and cooperation as shareholders.

## 2. Outline of Ichikoh Industries, Ltd.

### (1) Information about Shares (as of December 31,2018)

|                                                   |             |
|---------------------------------------------------|-------------|
| ① Total number of shares authorized to be issued: | 200,000,000 |
| ② Total number of shares issued:                  | 96,250,001  |
| ③ Number of Shareholders:                         | 6,710       |

## ④ Major Shareholders: Major 10 shareholders

| Name of Shareholder                                                        | Investment in Ichikoh |               |
|----------------------------------------------------------------------------|-----------------------|---------------|
|                                                                            | Number of Shares      | Holding Ratio |
| Valeo Bayen                                                                | 52,922 thousand       | 55.07%        |
| Toyota Motor                                                               | 5,869 thousand        | 6.10%         |
| Mizuho Bank                                                                | 4,775 thousand        | 4.96%         |
| Daihatsu Motor                                                             | 2,712 thousand        | 2.82%         |
| BNP PARIBAS SEC SERVICES LUXEMBOURG/ JASDEC/ ABERDEEN GLOBAL CLIENT ASSETS | 2,300 thousand        | 2.39%         |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                       | 1,627 thousand        | 1.69%         |
| Nippon Life Insurance Company                                              | 1,040 thousand        | 1.08%         |
| Japan Trustee Services Bank, Ltd. (Trust Account)                          | 1,013 thousand        | 1.05%         |
| SSBTC CLIENT OMNIBUS ACCOUNT                                               | 956 thousand          | 0.99%         |
| Sankyo Co.                                                                 | 930 thousand          | 0.96%         |

(Note) The shareholding ratio was calculated excluding the treasury stock (163,749 shares).  
The figures less than the unit are rounded down.

## (2) Status of Share Subscription Right (as of December 31, 2018)

Not applicable.

## (3) Status of Ichikoh's Officers

## ① Status of Directors and Corporate Auditors (as of December 31, 2018)

| Title                                   | Name                | HQ./Dept. in charge and status of important concurrent position                                          |
|-----------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------|
| Representative Director & Chairman CEO  | ORDOOBADI, Ali      | Oversees Audit Dept., Representative Director of Valeo Japan Co., Ltd., Director of Valeo Kapec Japan KK |
| Representative Director & President COO | SAUER, Heiko        |                                                                                                          |
| Director                                | MIYASHITA, Kazuyuki | In charge of R&D HQ, Advanced Dev. HQ, Industrial HQ, Project Progress Control Office. PM HQ Director    |
| Director                                | NAKANO, Hideo       | Mirror PL Director.                                                                                      |

|                                  |                         |                                                                                                                                                                                                                                                       |
|----------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director                         | SHIRATO,<br>Hideki      | In charge of Corp. Planning Dept., Legal Dept. ,<br>General Accounting HQ.                                                                                                                                                                            |
| Director                         | VILATTE,<br>Christophe  | Lighting RO Director                                                                                                                                                                                                                                  |
| Director                         | THIVOYON,<br>Bruno      | Valeo Visibility Group Finance Director                                                                                                                                                                                                               |
| Director                         | MARTINELLI<br>,Maurizio | Valeo Visibility Group President, Valeo S.p.A.<br>Director & Legal Representative, Valeo Vision SAS<br>President, Valeo Iluminacion S. A.U. Director &<br>Chairman and Legal Representative, Valeo Vision<br>Belgique Director & Legal Representative |
| Director                         | AOMATSU,<br>Hideo       | Representative Director and President of DRC<br>Capital, Ltd., Representative Director and CEO of<br>JPH Co., Ltd.                                                                                                                                    |
| Director                         | DELMAS,<br>Bernard      | Chairman of Nihon Michelin Tire Co. ltd.                                                                                                                                                                                                              |
| Corporate Auditor<br>(Full Time) | HASHIMOTO<br>, Hisaki   |                                                                                                                                                                                                                                                       |
| Corporate Auditor                | TSURUMAKI,<br>Aki       | Kamijo/Tsurumaki Law Office (Attorney at Law)<br>Outside Director of BELLSYSTEM24 Holdings,<br>Inc.                                                                                                                                                   |
| Corporate Auditor                | SEVAISTRE,<br>Pierre    |                                                                                                                                                                                                                                                       |

(Notes)

1. Mr. Hideo Aomatsu and Mr. Bernard Delmas, Directors, are outside directors stipulated by Article 2-15 of the Companies Act. The Company submitted to the TSE a notice of independent officer appointing Mr. Hideo Aomathsu and Mr. Bernard Delmas as the independent officers.
  2. Corporate Auditors, Mr. Aki Tsurumaki and Mr. Pierre Sevaistre, are outside auditors stipulated by Article 2-16 of the Companies Act. The Company submitted to the TSE a notice of independent officer appointing Mr. Aki Tsurumaki and Mr. Pierre Sevaistre, both Corporate Auditors, as the independent officers.
  3. Mr. Hisaki Hashimoto, a Corporate Auditor, has good experience of internal audit of the Company and has knowledge in finance and accounting.
- ② Mr. Hideo Aomatsu, Mr. Bernard Delmas, Directors and Mr. Aki Tsurumaki, and Mr. Pierre Sevaistre, Hisaki Hashimoto, Corporate Auditors, and the Company entered into an agreement limiting the liability under Article 423-1 of the Company Act, based

on our Articles of Incorporation and Article 427-1 of the Company Act. The maximum amount of the limited liability based on this agreement is as set forth in Article 425-1 of the Company Act.

- ③ Total Remuneration to Directors and Corporate Auditors (Jan. 2018 through Dec. 2018)

Remuneration paid during the Current Business Year

| Classification                                                                                                      | Number of Persons | Amount Paid                         |
|---------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|
| Directors<br>(Outside Directors included in the above)                                                              | 8<br>(2)          | 322 million yen<br>(17 million yen) |
| Corporate Auditors<br>(Outside Corporate Auditors included in the above)                                            | 3<br>(2)          | 22 million yen<br>(7 million yen)   |
| Total of Directors & Corporate Auditors<br>(Outside Directors and Outside Corporate Auditors included in the above) | 11<br>(4)         | 344 million yen<br>(25 million yen) |

(Notes)

- The above list does not include two non-executives Directors who do not receive any remuneration.
- The above includes the value of the monetary compensation receivables for restricted stock which was granted on May 24, 2018. (those who received monetary compensation for restricted stock are Messrs. Ali Ordoobadi, Kazuyuki Miyashita, Hideo Nakano, Hideki Shirato, Christophe Vilatte, Hideo Aomatsu, Bernard Delmas)
- The numbers for remuneration shown above were rounded down to the million.

- ④ Matters regarding Outside Corporate Officers

A. Mr. Hideo Aomatsu, Director

(a) Status of Concurrent Position as a Director Executing Business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Representative Director and President of DRC Capital Ltd., Representative Director and CEO of JPH Co., Ltd.

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 9 Board meetings out of 9 meetings held during this current business year, expressing his opinions based on his abundant experience as a management executive.

B. Mr. Bernard Delmas, Director

(a) Status of Concurrent Position as a Director Executing Business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Chairman of Nihon Michelin Tire Co. Ltd.

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended all 9 Board meetings out of 9 meetings held during this current business year, expressing his opinions based on his abundant experience as a management executive.

C. Mr. Aki Tsurumaki, Corporate Auditor

(a) Status of Concurrent Position as a Director Executing Business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Kamijo • Tsurumaki Law Office, Outside Director of BELLSYSTEM24 Holdings, Inc.

There is no specific relationship between such entity and the Company.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended 8 times out of 9 Board meetings held during this current business year, and 12 times out of 13 Board of Corporate Auditors' meetings during this current fiscal term, expressing his opinions from the specialized viewpoint as a lawyer.

D. Mr. Pierre Sevaistre, Corporate Auditor

(a) Status of Concurrent Position as a Director Executing Business or as an Outside Corporate Officers in Other Entity(ies) and the Relationship between the Company and such Other Entity(ies):

Not applicable.

(b) Business Relationship with Specific Related Business Entities such as Major Business Partners:

Not applicable.

(c) Main Activities During the Current Business Year

He attended 7 board meetings out of 9 meetings held during this current fiscal term,

and all 13 times out of 13 Corporate Auditors' meetings during this current business year, expressing his opinions based on his abundant experience and knowledge of audit and risk management.

(4) Status of Accounting Auditor

① Name of Firm: EY ShinNihon LLC

(Note) The Japanese name of the firm was changed from "ShinNihon LLC" to "EY ShinNihon LLC" as of July 1, 2018.

② Amount of Compensation:

|                                                                                                                             | Amount Paid    |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|
| Compensation paid to the Accounting Auditor for the Current Business Year                                                   | 74 million yen |
| Aggregate of Money and other Proprietary Interests to be paid to the Accounting Auditor by the Company and its Subsidiaries | 74 million yen |

(Notes)

1. The auditing agreement between the Company and the accounting auditor does not clearly distinguish the amount of compensation for the audit under the Company Act and that under the Financial Instruments and Exchange Act, and such distinction is practically impossible. Therefore, the amounts shown in Compensation paid to the Accounting Auditor for the current business year represent the aggregate amount of these compensations.
2. With respect to the compensation to Accounting Auditor, in addition to the above, 7 M yen was paid as the additional compensation for previous business year.
3. Board of Corporate Auditors gave consent on the remuneration of accounting auditor under the Section 1 of the Article 399 of the Company Act as a result of the examination of the validity of audit time and the estimates of remuneration in addition to the confirmation of the audit plan and the actual performance in the last year.

③ Policy on Decision of Dismissal or Non-reappointment of an Accounting Auditor

The Board of Corporate Auditors will make a decision on the content of the resolution to dismiss or not reappoint the accounting auditor as the agenda of the shareholders' meeting, if it determines that it is necessary to do so, e.g., in case of the inability of accounting auditor's performing his/her duties.

The Board of Corporate Auditors will dismiss the accounting auditor, by the consent of all members of the Board of Corporate Auditors, if it determines that any of the conditions stipulated in Section 1 of Article 340 of the Company Act applies to the accounting auditor. In this case, the Corporate Auditor designated by the Board of Corporate Auditors will

report the dismissal of the accounting auditor with the reason of such dismissal at the shareholders' meeting that is first convened after the dismissal.

④ Status of Auditing of the company's Subsidiaries by CPAs or Audit Firm who are not the Company's Accounting Auditor

Ichikoh Malaysia SDN.BHD, PT. Ichikoh Indonesia, Ichikoh Industries (Thailand) Co. Ltd. and Ichikoh (Wuxi) Automotive Parts Co. LTD. were audited by auditors (foreign auditors with qualification equivalent to that of the Company's Accounting Auditor) other than the Company's Accounting Auditor, as required by applicable laws.



## Consolidated Balance Sheet

(as of December 31, 2018)

(Unit : Million Yen)

| Account Item                                 | Amount         | Account Item                                       | Amount         |
|----------------------------------------------|----------------|----------------------------------------------------|----------------|
| (Assets)                                     |                | (Liabilities)                                      |                |
| Current Assets                               | 45,866         | Current Liabilities                                | 46,869         |
| Cash on hand and in banks                    | 10,215         | Notes Payable & Accounts Payable-Trade             | 25,831         |
| Notes Receivable & Accounts Receivable-Trade | 23,590         | Short-term Loans                                   | 2,100          |
| Electronically recorded monetary claims      | 1,049          | Long-term Loans which will be repaid within 1 year | 1,329          |
| Finished Goods                               | 3,463          | Lease Obligations                                  | 3,072          |
| Works in Process                             | 712            | Account Payable-Not Trade                          | 3,033          |
| Raw Materials & Stored Goods                 | 3,357          | Accrued Corporate Taxes                            | 1,549          |
| Deferred Tax Asset                           | 2,277          | Accrued Expenses                                   | 3,476          |
| Others                                       | 1,277          | Reserve for Bonus                                  | 921            |
| Allowance for doubtful accounts              | △75            | Reserve for Officers' Bonus                        | 23             |
|                                              |                | Warranty Reserve                                   | 1,552          |
|                                              |                | Equipment related notes payable                    | 162            |
|                                              |                | Others                                             | 3,816          |
| Fixed Assets                                 | 56,549         | Long-term Liabilities                              | 15,548         |
| Property, Plant & Equipment                  | 39,048         | Long-term Loans                                    | 4,604          |
| Buildings & Structures                       | 11,432         | Lease Obligations                                  | 1,654          |
| Mechanical, Equipment & Transport Equipment  | 11,842         | Deferred Tax Liability                             | 174            |
| Tooling, Furniture & Fixtures                | 4,561          | Net defined benefit liability                      | 8,858          |
| Land                                         | 3,379          | Asset Retirement Obligation                        | 202            |
| Lease Assets                                 | 3,767          | Reserve for Environmental Measure                  | 8              |
| Construction in Progress                     | 4,064          | Others                                             | 45             |
| Intangible Assets                            | 1,309          | <b>Total Liabilities</b>                           | <b>62,418</b>  |
| Goodwill                                     | 324            | (Net Assets)                                       |                |
| Others                                       | 985            | Shareholders' Equity                               | 41,239         |
| Investment & other Assets                    | 16,190         | Capital Stock                                      | 8,972          |
| Investment in Securities                     | 5,167          | Capital Surplus                                    | 2,491          |
| Long-term Loans                              | 519            | Retained Earnings                                  | 29,821         |
| Investment in affiliates                     | 7,287          | Treasury Stock                                     | △45            |
| Deferred Tax Asset                           | 1,807          | Accumulated Other Comprehensive Income             | △2,441         |
| Others                                       | 1,416          | Other Valuation Difference on Securities           | 1,423          |
| Allowance for Doubtful Accounts              | △8             | Foreign Currency Translation Reserve               | △2,817         |
|                                              |                | Re-measurements of Defined Benefit Plans           | △1,047         |
|                                              |                | Non-controlling Interest                           | 1,199          |
|                                              |                | <b>Total Net Assets</b>                            | <b>39,997</b>  |
| <b>Total Assets</b>                          | <b>102,416</b> | <b>Total Liabilities &amp; Net Assets</b>          | <b>102,416</b> |

(Note) Figures under a million yen were rounded down.

## Consolidated Statement of Income

( From January 1, 2018 )  
( To December 31, 2018 )

(Unit : Million Yen)

| Account Item                                            | Amount |         |
|---------------------------------------------------------|--------|---------|
| Net Sales                                               |        | 140,600 |
| Cost of Sale                                            |        | 111,470 |
| Gross Income                                            |        | 29,130  |
| Selling, General & Administrative Expenses              |        | 20,127  |
| Operating Income                                        |        | 9,003   |
| Non-Operating Income                                    |        |         |
| Interest & Dividend Received                            | 341    |         |
| Profit on Investments by Equity Method                  | 940    |         |
| Others                                                  | 280    | 1,562   |
| Non-Operating Expenses                                  |        |         |
| Interest Expenses                                       | 328    |         |
| Commission Fee                                          | 144    |         |
| Foreign Exchange Losses                                 | 234    |         |
| Others                                                  | 162    | 871     |
| Ordinary Income                                         |        | 9,694   |
| Extraordinary Gains                                     |        |         |
| Gains on Sale of Fixed Assets                           | 4      | 4       |
| Extraordinary Losses                                    |        |         |
| Loss on disposal of noncurrent assets                   | 267    | 267     |
| Income before Income Taxes & Minority Interests         |        | 9,431   |
| Income Taxes-current                                    | 1,926  |         |
| Income taxes-deferred                                   | Δ2,286 | Δ360    |
| Net Income                                              |        | 9,791   |
| Net income attributable to non-controlling shareholders |        | 35      |
| Net profit attributable to parent company shareholders  |        | 9,756   |

(Note) Figures under a million yen were rounded down

## Consolidated Statement of Changes in Net Assets

( From January 1, 2018 )  
( To December 31, 2018 )

(Unit : Million Yen)

|                                                                      | Shareholders' Equity |                 |                   |                | Total  |
|----------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|--------|
|                                                                      | Capital Stock        | Capital Surplus | Retained Earnings | Treasury Stock |        |
| Opening Balance                                                      | 8,957                | 2,476           | 20,449            | Δ43            | 31,840 |
| Change in the Term                                                   |                      |                 |                   |                |        |
| Net profit attributable to parent company shareholders               | -                    | -               | 9,756             | -              | 9,756  |
| New share issues                                                     | 14                   | 14              | -                 | -              | 28     |
| Dividend of surplus                                                  | -                    | -               | Δ384              | -              | Δ384   |
| Acquisition of Own Shares                                            | -                    | -               | -                 | Δ1             | Δ1     |
| Current change in items other than shareholders' equity (Net Amount) | -                    | -               | -                 | -              | -      |
| Total amount of change in current term                               | 14                   | 14              | 9,371             | Δ1             | 9,398  |
| Closing Balance                                                      | 8,972                | 2,491           | 29,821            | Δ45            | 41,239 |

|                                                                      | Accumulated Other Comprehensive Income   |                                      |                                         |        | Non-controlling interest | Total Net Assets |
|----------------------------------------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------------|--------|--------------------------|------------------|
|                                                                      | Other Valuation Difference on Securities | Foreign Currency Translation Reserve | Remeasurements of Defined Benefit Plans | Total  |                          |                  |
| Opening Balance                                                      | 2,306                                    | Δ1,982                               | Δ254                                    | 69     | 1,356                    | 33,266           |
| Change in the Term                                                   |                                          |                                      |                                         |        |                          |                  |
| Net profit attributable to parent company shareholders               | -                                        | -                                    | -                                       | -      | -                        | 9,756            |
| New share issues                                                     | -                                        | -                                    | -                                       | -      | -                        | 28               |
| Dividend of surplus                                                  | -                                        | -                                    | -                                       | -      | -                        | Δ384             |
| Acquisition of Own Shares                                            | -                                        | -                                    | -                                       | -      | -                        | Δ1               |
| Current change in items other than shareholders' equity (Net Amount) | Δ883                                     | Δ834                                 | Δ792                                    | Δ2,510 | Δ156                     | Δ2,667           |
| Total amount of change in current term                               | Δ883                                     | Δ834                                 | Δ792                                    | Δ2,510 | Δ156                     | 6,731            |
| Closing Balance                                                      | 1,423                                    | Δ2,817                               | Δ1,047                                  | Δ2,441 | 1,199                    | 39,997           |

(Note) Figures under a million yen were rounded down

**Balance Sheet**  
(As of December 31, 2018)

(Unit : Million Yen)

| Account Item<br>(Assets)                | Amount        | Account Item<br>(Liabilities)                      | Amount        |
|-----------------------------------------|---------------|----------------------------------------------------|---------------|
| Current Assets                          | 32,659        | Current Liabilities                                | 37,394        |
| Cash on hand and in banks               | 5,322         | Notes Payable                                      | 2,113         |
| Notes Receivable                        | 38            | Accounts Payable-Trade                             | 17,979        |
| Accounts Receivable-Trade               | 17,585        | Short-term Loans                                   | 1,800         |
| Electronically recorded monetary claims | 1,028         | Long-term Loans which will be repaid within 1 year | 1,129         |
| Finished Goods                          | 1,245         | Lease Obligations                                  | 2,386         |
| Works in Process                        | 333           | Account Payable-Not Trade                          | 2,468         |
| Raw Materials & Stored Goods            | 1,762         | Accrued Corporate Taxes                            | 1,165         |
| Prepaid expenses                        | 278           | Accrued Expenses                                   | 2,503         |
| Accounts receivable-Not Trade           | 1,332         | Deposit Received                                   | 262           |
| Short-term loans receivable             | 1,865         | Reserve for Bonus                                  | 806           |
| Deferred Tax Asset                      | 2,216         | Reserve for Officers' Bonus                        | 13            |
| Others                                  | 27            | Warranty Reserve                                   | 1,483         |
| Allowance for doubtful accounts         | △378          | Equipment related notes payable                    | 138           |
|                                         |               | Others                                             | 3,142         |
| Fixed Assets                            | 49,449        | Fixed Liabilities                                  | 10,953        |
| Property, Plant & Equipment             | 26,842        | Long-term Loans                                    | 3,204         |
| Buildings                               | 6,988         | Lease Obligations                                  | 303           |
| Structures                              | 203           | Retirement Allowance                               | 7,259         |
| Mechanical & Equipment                  | 7,517         | Asset Retirement Obligation                        | 176           |
| Vehicles & Transport Equipment          | 66            | Reserve for Environmental Measure                  | 8             |
| Tooling & Fixtures                      | 4,038         |                                                    |               |
| Land                                    | 2,031         |                                                    |               |
| Lease Assets                            | 2,242         |                                                    |               |
| Construction in Progress                | 3,753         |                                                    |               |
| Intangible Assets                       | 231           | <b>T o t a l L i a b i l i t i e s</b>             | <b>48,347</b> |
| Leasehold                               | 3             | (Net Assets)                                       |               |
| Right of using facilities               | 14            | Shareholders' Equity                               | 32,390        |
| Software                                | 92            | Capital Stock                                      | 8,972         |
| Lease Assets                            | 121           | Capital Surplus                                    | 2,304         |
| Investment & other Assets               | 22,376        | Capital Reserve                                    | 2,304         |
| Investment in Securities                | 4,998         | Retained Earnings                                  | 21,159        |
| Stocks of affiliates                    | 5,257         | Other Retained Earnings                            | 21,159        |
| Investment in affiliates                | 5,064         | Unappropriated Retained Earnings                   | 21,159        |
| Long-term Loans                         | 3,789         | Treasury Stock                                     | △45           |
| Long-term prepaid expenses              | 209           | Valuation and Translation Adjustments              | 1,371         |
| Deferred Tax Asset                      | 1,495         | Other Valuation Difference on Securities           | 1,371         |
| Others                                  | 1,566         |                                                    |               |
| Allowance for Doubtful Accounts         | △5            | <b>Total Net Assets</b>                            | <b>33,761</b> |
| <b>Total Assets</b>                     | <b>82,108</b> | <b>Total Liabilities &amp; Net Assets</b>          | <b>82,108</b> |

(Note) Figures under a million yen were rounded down.

## Statement of Income

( From January 1, 2018 )  
( To December 31, 2018 )

(Unit : Million Yen)

| Account Item                                  | Amount |         |
|-----------------------------------------------|--------|---------|
| Net Sales                                     |        | 109,671 |
| Cost of Sale                                  |        | 87,664  |
| Gross Income                                  |        | 22,006  |
| Selling, General & Administrative Expenses    |        | 15,426  |
| Operating Income                              |        | 6,580   |
| Non-Operating Income                          |        |         |
| Interest Received                             | 247    |         |
| Dividend Received                             | 1,197  |         |
| Fixed Assets Rent                             | 199    |         |
| Others                                        | 10     | 1,654   |
| Non-Operating Expenses                        |        |         |
| Interest Expenses                             | 264    |         |
| Commission Fee                                | 144    |         |
| Fixed Assets Rent Expenses                    | 99     |         |
| Foreign Exchange Losses                       | 94     |         |
| Others                                        | 43     | 645     |
| Ordinary Income                               |        | 7,588   |
| Extraordinary Losses                          |        |         |
| Loss on disposal of noncurrent assets         | 266    | 266     |
| Income before Income Taxes&Minority Interests |        | 7,322   |
| Income Taxes-current                          | 1,436  |         |
| Income taxes-deferred                         | Δ2,471 | Δ1,035  |
| Net Income                                    |        | 8,357   |

(Note) Figures under a million yen were rounded down

## Statement of Changes in Net Assets

( From January 1, 2018 )  
( To December 31, 2018 )

(Unit : Million Yen)

|                                                                      | Shareholders' Equity |                 |                       |                         |                         |
|----------------------------------------------------------------------|----------------------|-----------------|-----------------------|-------------------------|-------------------------|
|                                                                      | Capital Stock        | Capital Surplus |                       | Retained Earnings       |                         |
|                                                                      |                      | Capital Reserve | Total Capital Surplus | Other Retained Earnings | Total Retained Earnings |
| Opening Balance                                                      | 8,957                | 2,289           | 2,289                 | 13,186                  | 13,186                  |
| Change in the Term                                                   |                      |                 |                       |                         |                         |
| Net Income                                                           | —                    | —               | —                     | 8,357                   | 8,357                   |
| New share issues                                                     | 14                   | 14              | 14                    | —                       | —                       |
| Dividend of surplus                                                  | —                    | —               | —                     | △384                    | △384                    |
| Acquisition of Own Shares                                            | —                    | —               | —                     | —                       | —                       |
| Current change in items other than shareholders' equity (Net Amount) | —                    | —               | —                     | —                       | —                       |
| Total amount of change in current term                               | 14                   | 14              | 14                    | 7,973                   | 7,973                   |
| Closing Balance                                                      | 8,972                | 2,304           | 2,304                 | 21,159                  | 21,159                  |

|                                                                      | Shareholders' Equity |                            | Valuation and Translation Adjustments       |                                             | Total Net Assets |
|----------------------------------------------------------------------|----------------------|----------------------------|---------------------------------------------|---------------------------------------------|------------------|
|                                                                      | Treasury Stock       | Total Shareholders' Equity | Other Valuation and Translation Adjustments | Total Valuation and Translation Adjustments |                  |
| Opening Balance                                                      | △43                  | 24,390                     | 2,221                                       | 2,221                                       | 26,611           |
| Change in the Term                                                   |                      |                            |                                             |                                             |                  |
| Net Income                                                           | —                    | 8,357                      | —                                           | —                                           | 8,357            |
| New share issues                                                     | —                    | 28                         | —                                           | —                                           | 28               |
| Dividend of surplus                                                  | —                    | △384                       | —                                           | —                                           | △384             |
| Acquisition of Own Shares                                            | △1                   | △1                         | —                                           | —                                           | △1               |
| Current change in items other than shareholders' equity (Net Amount) | —                    | —                          | △849                                        | △849                                        | △849             |
| Total amount of change in current term                               | △1                   | 8,000                      | △849                                        | △849                                        | 7,150            |
| Closing Balance                                                      | △45                  | 32,390                     | 1,371                                       | 1,371                                       | 33,761           |

(Note) Figures under a million yen were rounded down

**Accounting Auditor's Report Regarding the Consolidated Financial Statements****Independent Auditor's Report****Feb 21, 2019**

Ichikoh Industries, Ltd.

Board of Directors

EY ShinNihon LLC  
Yoshihisa Fukuda, CPA [Seal]  
Designated Limited Liability Partner  
Executive Partner

Keiichi Wakimoto, CPA [seal]  
Designated Limited Liability Partner  
Executive Partner

Ryuichiro Umamo, CPA [seal]  
Designated Limited Liability Partner  
Executive Partner

We have, pursuant to the Company Act, Article 444-4, audited the consolidated financial statements of Ichikoh Industries, Ltd during the consolidated fiscal year from January 1, 2018 to December 31, 2018, which are comprised of the consolidated balance sheet, the consolidated income statement, the consolidated shareholders equity statement, and the notes to consolidated financial statements.

**Management's Responsibility on the Consolidated Financial Statements**

Management's responsibility is to prepare and present in fair manner these consolidated financial statements in accordance with generally accepted accounting principles in Japan, and this responsibility includes designing and operating such internal control as management determines it necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material false statement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion from an independent position on these consolidated financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards which are considered as fair and appropriate in Japan. Those standards require us to prepare a plan and perform the audit based on such plan to obtain reasonable assurance that the consolidated financial statements are free from material false statement.

In an audit, procedures to obtain audit evidence about the amounts in and disclosures of the consolidated financial statements are performed. The audit procedures shall be selected and applied, depending on the auditor's judgment, based on the assessment of the risks of material false statement of the consolidated financial statements due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor reviews internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate under the circumstances. An audit also includes the evaluation of the overall presentation of the consolidated financial statements as well as the evaluation of the accounting policies adopted by the management and applicability thereof and the accounting estimates made by management.

We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above, in all material respects, conform to the generally accepted accounting principles in Japan and fairly present the status of assets and profit/loss for the period relevant to the above statements of the corporate group comprising Ichikoh Industries, Ltd. and its consolidated subsidiaries.

#### Interest Relationship

There is no interest relationship between the Company and our auditing firm or executive partners that would require disclosure pursuant to the Certified Public Accounts Act.

End



**Accounting Auditor's Report****Independent Auditor's Report****Feb 21, 2019**

Ichikoh Industries, Ltd.

Board of Directors

EY ShinNihon LLC  
Yoshihisa Fukuda, CPA [seal]  
Designated Limited Liability Partner  
Executive Partner

Keiichi Wakimoto, CPA [seal]  
Designated Limited Liability Partner  
Executive Partner

Ryuichiro Umamo, CPA [seal]  
Designated Limited Liability Partner  
Executive Partner

We have, pursuant to Article 436 Section 2, Sub-section 1 of the Company Act, audited the financial statements of Ichikoh Industries, Ltd during the 89<sup>th</sup> fiscal year from January 1, 2018 to December 31, 2018, which are comprised of the balance sheet, the income statement, the shareholders equity statement, and the notes to consolidated financial statements and the supplementary schedule thereof.

**Management's Responsibility on the Consolidated Financial Statements**

Management's responsibility is to prepare and present in fair manner these consolidated financial statements and the supplementary schedule thereof in according with generally accepted accounting principles in Japan, and this responsibility includes designing and operating such internal control as management determines it necessary to enable the preparation and fair presentation of the financial statements and the supplementary schedule thereof that are free from material false statement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion from an independent position on these financial statements and the supplementary schedule thereof based on our audit. We conducted our audit in accordance with generally accepted auditing standards considered as fair and appropriate in Japan. Those standards require us to prepare audit plan and perform the audit based on such plan to obtain reasonable assurance that the financial statements and the supplementary schedule thereof are free from material false statement.

In an audit, procedures to obtain audit evidence about the amounts in and disclosures of the financial statements and the supplementary schedule thereof are performed. The audit procedures shall be selected and applied, depending on the auditor's judgment, based on the assessment of the risks of material false statement of the financial statements and the supplementary schedule thereof due to fraud or error. The purpose of an audit of the financial statements and the supplementary schedule thereof is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor reviews internal controls relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedule thereof in order to design audit procedures that are appropriate under the circumstances. An audit also includes the evaluation of the overall presentation of the financial statements and the supplementary schedule thereof as well as the evaluation of the accounting policies adopted by the management and applicability thereof and the accounting estimates made by management, .

We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements and the supplementary schedule thereof referred to above, in all material respects, conform to the generally accepted accounting principles in Japan and fairly present the status of assets and profit/loss for the period relevant to the above statements and the supplementary schedule thereof.

#### Interest Relationship

There is no interest relationship between the Company and our auditing firm or executive partners that would require disclosure pursuant to the Certified Public Accounts Act.

End

## Audit Report of the Board of Corporate Auditors

### Audit Report

The Board of Corporate Auditors, regarding the execution of business by the Board of Directors during the 89<sup>th</sup> business year, from January 1, 2018 to December 31, 2018, prepared this audit reports and hereby report as follows, as a result of the deliberation based on Audit Report which was prepared by each Corporate Auditor.

1. Methods and Subject of the Audit by the Corporate Auditors and Board of Corporate Auditors

(1) The Board of Corporate Auditors established the auditing policy and the allocation of tasks and, received reports from each Corporate Auditor regarding the status and results of audit, and further received reports from Directors, etc. and the Accounting Auditor regarding the status of performing their duties and asked for explanations when necessary.

(2) Each Auditor, in compliance with the auditing standards for the Corporate Auditors established by the Board of Corporate Auditors and in accordance with the auditing policy and allocation of tasks, communicated with the Directors, the internal auditing department, and other employees, established an environment for information collection and auditing and performed the audit as follows:

① We attended the meetings of the Board of Directors and other important meetings, received reports of the execution of business of the Directors and other employees, requested explanations when necessary, examined important documents related to the decision making, and investigated the operations and assets of headquarters and main facilities. With respect to the subsidiaries, we had communication with and exchanged information with the Directors and Corporate Auditors of the subsidiary and received reports on business from the subsidiaries, as necessary.

② With respect to the resolution by the Board of Directors regarding the implementation of a system required under Articles 100-1 and -3 of the Rules for Enforcement of the Companies Act as the system necessary for ensuring that the business executed by Directors complies with statutes and the Articles of Incorporation and also ensuring the appropriateness of the execution of business by the Company group consisting of the Company and its subsidiaries ("Internal Control system) and such Internal Control System implemented in accordance with such resolution as noted in the Business Report, each Corporate Auditor periodically received reports from Directors and other employees about the establishment and operation thereof, requested explanations when necessary, and expressed opinions.

③ We monitored and verified that the Accounting Auditor maintains its independent position and conducted fair audit, and received report on the execution of the duties from the Accounting Auditor and requested explanation as necessary. Further, we received the notice that the Accounting Auditor has been implementing the "System to Ensure the Appropriateness of

Execution of Duties” (the matters listed in the Section 131 of the Ordinance on Company Accounting) in accordance with the “Quality Control Standard on Audit” (Corporate Accounting Council October 28, 2005) and requested explanation, as necessary.

Based on the method described above, we reviewed the Business Report, the supplemental schedule thereof, financial statements (balance sheet, income statement, shareholder equity statement, and notes to the financial statements) and the supplemental schedule thereof, and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated shareholder equity statement, and notes to the consolidated financial statements) covering the current business year.

## 2. Audit Results

### (1) Results of Auditing the Business Report, etc.

- ① The Business Report and the supplemental schedule thereof are found to be in accordance with statutes and regulations and the Articles of Incorporation, and properly indicate the status of the Company.
- ② No fraudulent act nor material fact in violation of statutes, regulations, or the Articles of Incorporation was found regarding the execution of business by Directors.
- ③ It was found that the contents of decisions of the Board of Directors regarding the Internal Control System are proper. Further there is nothing to point out as a concern in the statements in the Business Report regarding the Internal Control System or the execution of business by the Directors.
- ④ It was found that the matters to which attention was paid in order to avoid damage of interest of the company regarding transactions with the parent company and the judgement by the Board of Director whether or not transaction may cause damage to company’s interest and reasons thereof are proper.

### (2) Results of Auditing the Financial Statements and the Supplemental Schedule thereof

We found that the methods of audit used by the Accounting Auditor EY ShinNihon LLC and the results thereof are proper.

### (3) Results of Auditing the Consolidated Financial Statements

We found that the methods of audit used by the Accounting Auditor EY ShinNihon LLC and the results thereof are proper.

February 22, 2019

Ichikoh Industries Co., Ltd.

Hisaki Hashimoto, Full Time Corporate Auditor [seal]

Aki Tsurumaki, Outside Corporate Auditor [seal]

Sevaistre Pierre, Outside Corporate Auditor [seal]

End

## Reference Materials for the Shareholders Meeting

### Proposal No. 1: Disposition of Surpluses

Regarding disposal of surpluses, based on the good performance result of this business year, we propose to distribute the dividends as follows.

- (1) Class of dividend assets  
Cash
- (2) Description of distributed assets and the total amounts thereof  
4.5 yen per one Ichikoh share; total amount 432,388,134 yen.
- (3) Effective Date distribution of dividend  
March 27, 2019

### Proposal No. 2: Appointment of Ten (10) Directors

Upon the closing of this shareholders meeting, the term of all of the ten (10) Directors, Ali Ordoobadi, Heiko Sauer, Kazuyuki Miyashita, Hideo Nakano, Hideki Shirato, Christophe Vilatte, Bruno Thivoyon, Maurizio Matinelli, Hideo Aomatsu, and Bernard Delmas expires. Therefore, we propose to appoint 10 Directors.

The candidates for Director are as follows.

| Name<br>(Date of Birth)                                                    | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of Ichikoh Shares held |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Candidate No. 1<br>[For re-election]<br><br>Ali Ordoobadi<br>Nov. 15, 1960 | <p>June 2008: Ichikoh Director</p> <p>October 2010: Representative Director &amp; President, supervising Audit Department and Quality HQ</p> <p>June 2011: Representative Director, supervising Audit Department and R&amp;D HQ</p> <p>April 2012: Representative Director &amp; President, supervising Audit Department of the Company</p> <p>June 2017: Representative Director &amp; Chairman &amp; CEO, supervising Audit Department of the Company (to date)</p> <p>[Background with Other Companies]</p> <p>1987: Siemens Technical Center R&amp;D Engineer</p> <p>1999: Valeo Group Vice President responsible for China (Valeo China HQ)</p> <p>2007: Valeo Group Vice President responsible for East Asia, Representative Director &amp; President of Valeo Japan Co., Ltd.</p> <p>2010: Valeo Group Vice President</p> | 63,757                        |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p>responsible for Japan,<br/>Representative Director of Valeo<br/>Engine Cooling Japan Co., Ltd.<br/>Representative Director &amp;<br/>President of Valeo Japan Co., Ltd.<br/>June 2017 Representative Director &amp;<br/>President of Valeo Japan Co., Ltd.<br/>Mar 2018 Representative Director &amp; President<br/>of Valeo Japan Co., Ltd.<br/>Director of Valeo Kapec Japan KK<br/>(to date)</p> <p>[Important concurrent positions in other Company]<br/>Representative Director &amp; President of Valeo<br/>Japan Co., Ltd., Director of Valeo Kapec Japan<br/>KK</p> <p>Reason for Candidacy for Director<br/>Since taking the position of Representative<br/>Director in 2010, he has reinforced and improved<br/>performance of our group by focusing the business<br/>resources into our core businesses. He has also<br/>reinforced a governance system, including stronger<br/>compliance. He is nominated as a candidate for a<br/>Director in order to secure sustainable growth of<br/>the Company.</p> <p>Length of service as Director (at the close of this<br/>Shareholders Meeting): 10 years and 9 months</p> |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| Name<br>(Date of Birth)                                                           | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of Ichikoh Shares held |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate No. 2<br/>[For re-election]</p> <p>Heiko Sauer<br/>April 25,1968</p> | <p>2017, June Representative Director &amp; President &amp; COO (to date)</p> <p>[Background with Other Companies]</p> <p>1996 Ford Motor Company, Germany, Supplier Trainer and MP&amp;L Analyst</p> <p>2000 Purchasing Manager, Electrical and Electronics, Ford &amp; Jaguar Lear Corporation Europe, Germany</p> <p>2003 Director, Asian Program Management Lear Corp. Electrical &amp; Electronics Division, Philippines</p> <p>2005 General Manager Lear Corporation - Dong Feng Motors JV, China</p> <p>2007 General Manager Valeo -Lighting Division, China and Chairman of Joint Venture Valeo Ichikoh (FIV), Foshan Lighting Regional Operations Director, Product Group, Lighting Valeo, China</p> <p>2010</p> <p>[Important concurrent positions in other Company]<br/>Has held no other important positions in other companies as of today after assumed the position of Representative Director &amp; President &amp; COO of the Company.</p> <p>Reason for Candidacy for Director<br/>He has knowledge of European automotive industry and deep management background in automotive parts companies in China and ASEAN region. He is nominated as candidate for a Director because by utilizing his insights and experiences in deliberations of the meetings of the Board of Directors, he can contribute to the improvement of corporate value of the Company group.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 1 year and 9 months</p> | <p>3,700</p>                  |

| Name<br>(Date of Birth)                                                                                                                                   | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of Ichikoh Shares held |
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| <p style="text-align: center;">Candidate<br/>No. 3<br/>[For re-election]</p> <p style="text-align: center;">Kazuyuki<br/>Miyashita<br/>(Nov. 9, 1966)</p> | <p>April 1990: Joined Ichikoh Industries, Ltd.</p> <p>October 2006: Manager of Start of Production Quality Assurance Section, Quality HQ</p> <p>October 2008: GM of Project QCD Assurance Department</p> <p>March 2009: GM of Project Management Department</p> <p>April 2010: Executive Officer &amp; GM of Project Management Department</p> <p>June 2011: Managing Director, supervising Project Management Design HQ</p> <p>April 2012: Managing Director, supervising Project Management HQ and R&amp;D HQ</p> <p>June 2012: Director &amp; Managing executive Officer responsible for Project Management HQ and R&amp;D HQ</p> <p>April 2014: Director &amp; Managing Executive Officer responsible for Project Management HQ and Production Division</p> <p>February 2016: Director &amp; Managing Executive Officer responsible for Project Management HQ/Project Progress Control Office and Production Division Manager</p> <p>June 2016: Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/Project Progress Control Office, Manager of Project Management HQ and Industrial HQ</p> <p>April 2017: Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/Adv.Dev. HQ/Project Progress Control Office, Manager of Project Management HQ and Industrial HQ</p> <p>May 2017: Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ/Industrial HQ/Project Progress Control Office and General Manager of Project Management HQ</p> <p>April 2018: Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ/, Adv.Dev. HQ/ Process Engineering HQ/Project Progress</p> | 12,493                        |



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|  | <p>Control Office and General Manager of Project Management HQ</p> <p>February 2019 Director &amp; Senior Managing Executive Officer responsible for R&amp;D HQ, Adv.Dev. HQ/ Process Engineering HQ and General Manager of Project Management HQ (to date)</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other companies since joined the Company.</p> <p>Reason for Candidacy for Director<br/>After being involved for a long time in new product project management and quality control and further overseeing design and development and production, he has been performing his duties by a high level of knowledge of manufacturing and engineering. He is nominated as a candidate to continue as a Director because it is judged that continuously using his knowledge and experience is necessary to raise the value of our business.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 7 years and 9 months</p> |  |
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| Name<br>(Date of Birth)                                                                  | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of Ichikoh Shares held |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate<br/>No. 4</p> <p>[For re-election]<br/>Hideo Nakano<br/>(Nov. 12, 1959)</p> | <p>June 2011 Ichikoh Business Division Executive Officer</p> <p>June 2012 Ichikoh Executive Officer, Business Division General Mgr.</p> <p>June 2013 Ichikoh Executive Officer, Mirror Division General Mgr., IPS/Logistics General Mgr.</p> <p>June 2014 Ichikoh Executive Officer, Mirror Division General Mgr.</p> <p>June 2015 Ichikoh Executive Officer, Mirror Division General Mgr., ASEAN Operations Director</p> <p>June 2016 Director &amp; Senior Managing Executive Officer, Mirror Division General Mgr., ASEAN Operations Director</p> <p>June 2018 Director &amp; Senior Managing Executive Officer, Mirror Division General Mgr.<br/>(to date)</p> <p>[Background with other Companies]<br/>April 1981 Joined Honeywell Japan K.K.<br/>May 2007 Joined Valeo Japan K.K.<br/>(to date)</p> <p>[Important positions in other Company]<br/>Has held no other important positions in other companies from taking the position of Executive Officer of Ichikoh until the present.</p> <p>Reason for Candidacy for Director<br/>He has superior insight of manufacturing operations and business, which has been developed through broad experience in the automotive parts industry, including overseas company. At present, he is pursuing operations as the person responsible for the mirror business. He is nominated as a candidate for Director because it is judged that he can contribute to increase the value of our group's business by making use of such knowledge and experience in deliberations of the Board of Directors' meeting going forward.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 2 years and 9 months</p> | <p>3,250</p>                  |

| Name<br>(Date of Birth)                                                      | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of Ichikoh Shares held |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate No. 5</p> <p>[For re-election] Hideki Shirato (Jun. 4,1959)</p> | <p>May 2014 Joined Ichikoh as the General Manager of Corporate Planning Department</p> <p>June 2014 Ichikoh Executive Officer, General Manager of Corporate Planning Department</p> <p>June 2016 Director &amp; Ichikoh Executive Officer responsible for Corporate Planning Department, Legal Department, Finance Headquarters and Compass GCC Department</p> <p>Jan 2017 Director &amp; Ichikoh Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters</p> <p>June 2017 Director &amp; Ichikoh Senior Managing Executive Officer responsible for Corporate Planning Department, Legal Department and Finance Headquarters (to date)</p> <p>[Background with Other Companies]</p> <p>April 1983 Joined The Industrial Bank of Japan, Limited</p> <p>June 1998 Deputy General Manager, Chicago Branch of same bank</p> <p>March 2003 General Manager, Americas Office of Structured Finance Sales Dept., Mizuho Corporate Bank, Ltd.</p> <p>March 2006 General Manager, Advisory Dept. 5, Mizuho Securities Co., Ltd.</p> <p>June 2008 General Manager., Investment Bank Dept. 6 of the same company</p> <p>April 2012 President, Mizuho Americas LLC</p> <p>[Important positions in other Company]</p> <p>Has held no other important positions in other companies from taking the position of General Manager of Corporate Planning Department of Ichikoh to present.</p> <p>Reason for Candidacy for Director</p> <p>He has superior insight regarding business operations, which has been developed through broad experience with financial institutions, including overseas company. At present, responsible for Corporate Planning Department, Legal Department and Finance Headquarters, he is pursuing work regarding business/governance/finance strategies. He is nominated as a candidate for Director because it</p> | <p>16,387</p>                 |

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|  | <p>is judged that he can contribute to increase the value of our group's business by making use of this knowledge and experience in deliberations of the Board of Directors' meetings going forward.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 2 years and 9 months</p> |  |
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| Name<br>(Date of Birth)                                                                                                   | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of Ichikoh Shares held            |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <p style="text-align: center;">Candidate<br/>No. 6</p> <p>[For re-election]<br/>Christophe Vilatte<br/>(May 28, 1972)</p> | <p>August 2011 Executive Officer Finance HQ Director of Ichikoh</p> <p>July 2012 Ichikoh Managing Executive Officer Finance HQ Director</p> <p>June 2014 Ichikoh Managing Executive Officer Lighting BU Director</p> <p>June 2017 Director &amp; Ichikoh Senior Managing Executive Officer Lighting RO Director (to date)</p> <p>[Background with Other Companies]</p> <p>1996 Valeo Klimasysteme GmbH (ex-Siemens) Industrial &amp; Project Controller (Germany)</p> <p>2000 Zexel Valeo Climate Control Corporation, Financial Controller Overseas Divisions &amp; General Manager Management Planning Department</p> <p>2006 Valeo Climate Control (France) Cabin Air Filtration Division, Division General Manager</p> <p>2010 Valeo Climate Control (France) Product Group Aftermarket Director</p> <p>[Important positions in other Company]</p> <p>Has held no other important positions in other companies from taking the position of Executive Officer of Ichikoh.</p> <p>Reason for Candidacy for Director</p> <p>After more than 20 years spent in the automotive industry working worldwide, he has been developing an extensive knowledge of this industry and has been also showing extraordinary performance in management. He is currently responsible for the management of Lighting Business of the Company, and he is nominated as candidate for a Director because we judged that, by utilizing his insights and experiences in deliberations at the Board of Directors, he can contribute to the improvement of the corporate value of our Company group.</p> <p>Length of service as Director (at the close of this Shareholders Meeting): 1 year and 9 months</p> | <p style="text-align: center;">4,250</p> |

| Name<br>(Date of Birth)                                                                                               | Brief Profile, Positions and Responsibilities at<br>Ichikoh<br>[Status of Important concurrent positions in other<br>companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number<br>of<br>Ichikoh<br>Shares<br>held |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <p style="text-align: center;">Candidate<br/>No. 7</p> <p>[For re-election]<br/>Bruno Thivoyon<br/>(May 17, 1974)</p> | <p>2015 Jun Director, Ichikoh<br/>(to date)</p> <p>[Background with Other Companies]</p> <p>1998 Valeo Group Headquarter, Group<br/>Budget Controller</p> <p>2000 Valeo Wire Harness, Division<br/>Management Controller</p> <p>2003 Valeo Wire Harness, Site Financial<br/>Controller</p> <p>2004 Valeo Lighting Systems Branch<br/>Management Controller</p> <p>2008 Valeo Rear Lighting Systems Division<br/>Financial Controller</p> <p>2010 Valeo Lighting Systems Product Group<br/>Finance Director</p> <p>2011 Valeo Visibility Business Group<br/>Finance Director<br/>(to date)</p> <p>[Important positions in other Company]<br/>Valeo Visibility Business Group Finance Director</p> <p>Reason for Candidacy for Outside Director<br/>He has long years of experience in the<br/>automotive parts industry, and particularly in<br/>finance, and demonstrates his superior<br/>management skills. Since taking the position of<br/>Director at Ichikoh in 2015, he has made use of<br/>that experience and intimate knowledge to give<br/>his opinions and make proposals. He is<br/>continuously nominated as a candidate of a<br/>Director because it is judged that it is ideal that<br/>he continue to monitor the company's business as<br/>a Director.</p> <p>Length of service as Director (at the close of this<br/>Shareholders Meeting): 3 years and 9 months</p> | 0                                         |

| Name<br>(Date of Birth)                                                                             | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of Ichikoh Shares held |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <p>Candidate No. 8</p> <p>[For re-election]</p> <p>Maurizio Martinelli<br/>(September 15, 1960)</p> | <p>2017 June Director, Ichikoh (to date)</p> <p>[Background with Other Companies]</p> <p>1994 Allied Signal Automotive Breaking Systems</p> <p>2000 Division general manager of Valeo Lighting Systems Italy</p> <p>2008 Vice-President in Engine Cooling, Thermal Product Group</p> <p>2010 Vice-President in Thermal Powertrain, Thermal Product Group</p> <p>2011 Valeo Italy Group President and Fiat – Iveco Group Customer Director</p> <p>2012 Vice President of Valeo Lighting Systems Product Group</p> <p>2014 Visibility Business Group President (to date)</p> <p>- (to date)</p> <p>[Important positions in other Company]</p> <p>President of Valeo Visibility Business Group, Director and Legal Representative of VALEO S.p.A., President of VALEO VISION SAS, Director &amp; Chairman and Legal Representative of VALEO ILUMINACION, S.A.U., Director and Legal Representative of VALEO VISION BELGIQUE</p> <p>Reason for Candidacy for Outside Director<br/>He has long years of experience in the automotive parts industry and excellent management capability. He is nominated as candidate for a Director because it was judged that it is ideal to have his deep insights be utilized in deliberations of the Board of Directors' meeting going forward.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 1 year and 9 months</p> | <p>0</p>                      |

| Name<br>(Date of Birth)                                                                                                           | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important concurrent positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of Ichikoh Shares held |
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| <p>Candidate<br/>No. 9</p> <p>[for re-election]<br/>[Outside Director]<br/>[Independent]<br/>Hideo Aomatsu<br/>(June 29,1954)</p> | <p>2015 June Ichikoh Director (to date)</p> <p>[Background with Other Companies]</p> <p>April 1977 Analyst, McKinsey &amp; Company,</p> <p>January 1982 Industrial Project Finance Officer, the World Bank</p> <p>September 1986 Associate, McKinsey &amp; Company, Inc.</p> <p>February 1989 Vice President M&amp;A, Manager, Guaranty Trust Bank, (Currently JP Morgan)</p> <p>May 1992 Japan Representative of N M Rothschild &amp; Sons, Ltd.</p> <p>April 1996 President of Rothschild Japan K.K.</p> <p>October 1999 Representative partner, ACTIV Investments Partners</p> <p>June 2002 Representative Director and President, ACTIV Investments Partners</p> <p>December 2005 Representative Director of DRC Capital Ltd.</p> <p>October 2018 Representative Director and CEO of JPH Co., Ltd. (to date)</p> <p>[Important positions in other Company]<br/>Representative Director and President of DRC Capital Ltd., Representative Director and CEO of JPH Co., Ltd.</p> <p>Reason for Candidacy for Outside Director<br/>He has advanced knowledge regarding business operations, developed through experience in abroad with advisory companies and financial institutions, including overseas companies. Additionally, he has broad experience regarding the improvement of the businesses of investment target companies, which is gained through management of fund management companies. He is continuously nominated as a candidate of an Outside Independent Director because it is judged that it is ideal that he continues to monitor the company's business as an Outside Director.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 3 years and 9 months</p> | <p>1,600</p>                  |



| Name<br>(Date of Birth)                                                                                                                                                                       | Brief Profile, Positions and Responsibilities at<br>Ichikoh<br>[Status of Important concurrent positions in other<br>companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number<br>of<br>Ichikoh<br>Shares<br>held |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <p style="text-align: center;">Candidate<br/>No. 10</p> <p style="text-align: center;">[for re-election]<br/>[Outside Director]<br/>[Independent]<br/>Bernard Delmas<br/>(April 21, 1954)</p> | <p>2015 June Ichikoh Director<br/>(to date)</p> <p>[Background with Other Companies]</p> <p>1979 Joined Michelin France</p> <p>1985 GM of Engineering Dept., Nihon Michelin Tire Co. Ltd.</p> <p>1991 GM of 1<sup>st</sup> Development Dept., Passenger Car and Commercial Car Tire Development Group, Michelin France</p> <p>1995 CEO, Michelin Research Asia B.V.</p> <p>2005 Director of the Research and Development Center, Michelin Europe</p> <p>2007 President &amp; CEO, Nihon Michelin Tire Co., Ltd</p> <p>2009 Michelin Group Senior Vice-President &amp; CEO of Michelin Korea Tire Co. Ltd.</p> <p>2015 Nihon Michelin Tire Co., Ltd. Representative Director and Chairman of the Board</p> <p>2016 Nihon Michelin Tire Co., Ltd. Chairman<br/>(to date)</p> <p>[Important positions in other Company]<br/>Chairman of Nihon Michelin Tire Co., Ltd.</p> <p>Reason for Candidacy for Outside Director<br/>He has long years of experience in the global automotive parts industry, through which he has developed advanced knowledge of business management. He is continuously nominated as a candidate of an outside Director because it is judged that it is ideal that he continues to monitor the company's business as an Outside Independent Director.</p> <p>Length of service as an outside Director (at the close of this Shareholders Meeting): 3 years and 9 months</p> | 1,600                                     |

## (Notes)

1. Ali Ordoobadi assumed the position of the Representative Director and President of Valeo Japan Co., Ltd. as of June 30, 2017. Valeo Japan Co., Ltd. is engaged in the same business field of Ichikoh of wiper and fog lamp.
2. There is no special interest relationship between any of the other candidates and Ichikoh.
3. Hideo Aomatsu, and Delmas Bernard are outside Directors. Hideo Aomatsu and Delmas Bernard have been reported to the Tokyo Stock Exchange as independent

corporate officers and, in the event that they are both re-appointed, we plan to continue to report them in the same status.

4. We have executed an agreement between Hideo Aomatsu and Delmas Bernard, based on the provisions of Article 423-1 of the Companies Act, limiting their liability for damages under Article 425-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act, and in the event that they are both re-appointed, we intend to continue said agreement with them.
5. The number of shares of the Company that are held are noted is the number of shares actual held by each Director including the number of shares held through corporate officers stock ownership plan as of December 31, 2018
6. The compensation of performance share of Valeo, were provided to the Directors acting Executive Officer Ali Ordoobadi, Heiko Sauer, Kazuyuki Miyashita, Hideo Nakano, Hideki Shirato, Christophe Vilatte.

**Proposal No. 3: Appointment of One (1) Substitute Corporate Auditor**

We propose that one Substitute Corporate Auditor be appointed, in the event that the statutory number of the Corporate Auditors is not satisfied.

This proposal has been agreed to by the Board of Corporate Auditors.

The candidate for a Substitute Corporate Auditor is as follows.

| Name<br>(Date of Birth)              | Brief Profile, Positions and Responsibilities at Ichikoh<br>[Status of Important positions in other companies]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of Ichikoh Shares Held |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Shigenori Saito<br>(October 1, 1970) | 2001 Registered as an attorney (Tokyo Bar Association)<br>Joined Kamano Sogo Law Offices<br>2006 Saito Law Office<br>2016 Outside Director of Tokyo Soko Unyu Kabushikigaisha (to date)<br><br>[Important positions in other Company]<br>Saito Law Office, Outside Director of Tokyo Soko Unyu Co.,LTD.<br><br>Reason for Candidacy for Substitute Auditor<br>He has broad experience as an attorney. He is nominated as a candidate for Substitute Corporate Auditor because it is judged that it would be ideal for him to take the position of Corporate Auditor in the event that a vacancy in the Corporate Auditor occurs and actively use his advanced knowledge in overseeing the company. | 0                             |

(Notes)

1. The candidate has no special interest relationship with the Company.
2. Candidate Mr. Shigenori Saito is a candidate for substitute Outside Corporate Auditor.
3. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to register Mr. Shigenori Saito as an Independent Director as stipulated by the Tokyo Stock Exchange
4. In the event that Mr. Shigenori Saito is appointed as a Corporate Auditor, we intend to execute an agreement between him and Ichikoh, based on the provisions of Article 427-1 of the Companies Act, limiting his liability for damages under Article 423-1 of said Act with minimum limit amount as set forth in Article 425-1 of said Act.